

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 2403 – SB 2421

March 28, 2012

SUMMARY OF AMENDMENT (014476): Authorizes any county to provide a car to an elected and salaried county official, who was either elected by the people, by a county legislative body, or by election of any other county board or commission. Eligible county employees also include any clerk or master appointed by a chancellor. A county official may be provided a car allowance for gas in lieu of a car.

FISCAL IMPACT OF ORIGINAL BILL:

Increase Local Expenditures – Exceeds \$9,500/Permissive

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase Local Expenditures – Exceeds \$1,657,900/Permissive

Assumptions applied to amendment:

- Allowing salaried and elected county officials, including any clerk or master appointed by a chancellor, to be provided with a vehicle will result in an increase in local expenditures.
- It is assumed that cars are currently available within counties for such officials to be provided cars.
- According to CTAS, the number of county officials who would be eligible for a car is 1,312.
- It is estimated that 20 percent, or 262 individuals, will be provided with a car.
- The additional travel will result in a recurring increase in local expenditures for maintenance of the vehicles. The additional maintenance expenditures are estimated to be \$300 per vehicle resulting in a recurring increase in local expenditures of \$78,600 (\$300 x 262).
- It is assumed that 40 percent of the remaining 1,050 officials (1,312 – 262), or 420 officials, will be provided a car allowance for the cost of fuel.
- It is assumed that such cars average 20 miles per gallon. The estimated average cost per gallon of gas in Tennessee is \$3.72.
- It is estimated that the 682 (262 + 420) officials will each travel 50 miles per day, on average, resulting in approximately a total of 34,100 additional miles driven per day.

- Assuming an average year contains at least 249 workdays; officials will drive a minimum of 8,490,900 miles (34,100 x 249).
- This equates to a minimum of 424,545 gallons of gas per year (8,490,900 miles/ 20 miles per gallon).
- The cost of gas will result in a permissive recurring increase in local expenditures exceeding \$1,579,307 (424,545 x \$3.72).
- The total recurring increase in local expenditures is estimated to exceed \$1,657,907 (\$78,600 + \$1,579,307).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" and last name "Geise" clearly distinguishable.

Lucian D. Geise, Executive Director

/jdb